IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION No 189 to 192 of 2001

For Approval and Signature:

Hon'ble MR.JUSTICE N.G.NANDI

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

ANIL STARCH PRODUCTS LTD.

Versus

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Appearance:

1. COMPANY PETITION No. 189 of 2001

MRS SWATI SOPARKAR for Petitioner No. 1

..... for Respondent No. 1

CORAM : MR.JUSTICE N.G.NANDI

Date of decision: 06/11/2001

COMMON (ORAL) JUDGEMENT

Heard Mrs. Swati Soparkar learned counsel for the petitioner.

2. The petitioner has produced affidavit of publication. Nobody has appeared pursuant to the publication of advertisement in the newspaper. As stated on 1/11/2001, the petitioner has also filed additional affidavit altogether with the resolution passed by the Board of Director of the Company at the meeting held on 20/10/2001 modifying the schedule in respect of Transferor Company.

3. Ms. P.J.Davawala learned Additional Standing Counsel for Central Government has placed on record the communication dated 31.10.2001 intimating that the Court may decide the matter on merits. In other words, neither objects nor consents to the prayer made in this petition.

4. These are the petitions filed by four companies viz. Anil Starch Products Limited (the De-merged Company for Part-I and the First Transferor Company for Part-II), Anil Starch Marketing Limited (the Resulting Company), Anil Consumer Products Limited (the second Transferor Company) and Anil Starch Specialities Limited (the Transferee Company) for sanction of a scheme of Arrangement and Restructure in the nature of De-merger and Transfer of Non Starch Division of Anil Starch Products Limited to Anil Starch Marketing Limited and in the nature of amalgamation of Anil Starch Products Limited (after de-merger) and Anil Consumer Products Limited with Anil Starch Specialities Limited under Section 391 read with Section 394 of the Companies Act,1956.

5. All the four companies belong to the same group of management. The De-merged company has been the pioneer engaged in the manufacturing of starch products and its derivatives. Over a period of time, it has developed many more products. The Resulting company on the other hand, is a company which was promoted for developing the international market for the products of the company. The second Transferor company is engaged in the manufacturing of consumer products based on maize. The Transferee Company has been engaged in the development of market for speciality items and manufacturing of the same. The arrangement and restructure is proposed to enable focussed attention in specific areas and achieving operational synergies thereby. The petitions give details of the advantages that would flow by virtue of the arrangement and restructure.

6. The scheme was approved, at the respective meetings convened on 20th September 2001, by the

requisite majority of the shareholders as well as secured and unsecured creditors of the De-merged and the first Transferor company. In case of the Resulting company all the shareholders had given their written consents to the proposed scheme. The scheme was also unanimously approved at the meeting of the unsecured creditors convened on 20th September 2001, and all the shareholders had given their written consents. The written approvals to the scheme were also given by the shareholders of the Transferee Company. Hence, the meetings of the shareholders of the Resulting company, the second Transferor Company and the Transferee Company were dispensed with by this High Court vide the orders dated 13.8.2001 passed in the respective company applications.

7. After the petitions were admitted they were duly advertised in the newspapers and the publication in the Government Gazette was dispensed with as directed in the order dated 1.10.2001. No one has come forward with any objections to the said petitions even after the publication.

8. Notice of the petitions has been served upon the Central Government and Smt. P.J.Davawala learned Standing Counsel appears for the Central Government. She has informed the Court and placed on record the letter from the Registrar of Companies of Gujarat dated 30.10.2001 indicating that the Central Government does not propose to object to the scheme of arrangement.

9. Notice of the Transferor Companies has also been served upon the Official Liquidator as required under 2nd proviso to Section 394(1) of the Act and the Official Liquidator has filed his report dated 1.11.2001 stating that the affairs of the Transferor companies have not been conducted in a manner prejudicial to its members or to public interest.

10. I have heard Mrs. Swati Saurabh Soparkar, learned advocate for the petitioner companies. Having gone through the petitions I am satisfied that the scheme of arrangement in the nature of De-merger and Transfer and amalgamation of the companies would be in the interest of the companies and their members.

11. However, purusant to the powers given to the Board of Directors by the resolutions passed in the general meetings dated 20th September 2001, the schedule attached to the Scheme is further revised and the final schedule in the form of the Balance Sheet is brought on record by an additional affidavit dated 1.11.2001 along

with the Board Resolution.

12. Under the circumstances the Scheme of Arrangement (Annexure-C to the petitions with the final schedule as amended) is sanctioned. Prayers in terms of para.22(A) in case of Co. Petition No.189/2001, para.21(A) in case of Co. Petition No.191/2001 and para.16(A) in case of Co. Petition Nos. 190 and 192 of 2001 are granted.

13. The petitions are disposed of accordingly. So far as the costs to be paid to the Central Government Standing Counsel is concerned, I quantify the same at Rs.2,500/- per petition. The same is to be paid to Shri Dhirubhai Patel and Smt. P.J.Davawala for two petitions each.

(N.G.Nandi,J.)

(vipul)